

EXHIBIT 2



MUTUAL FUND DIRECTORS FORUM

"THE INDEPENDENT FORUM FOR FUND INDEPENDENT DIRECTORS"

April 22, 2004

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Hon. William H. Donaldson
Chairman
United States Securities and Exchange Commission
450 Fifth Street, NW
Washington, DC 20549

RE: Bank of America Late Trading/Market Timing Proposed Settlement

Dear Mr. Chairman:

As you know, the Mutual Fund Directors Forum is an independent non-profit organization all of whose members are independent directors or trustees of mutual funds. On behalf of the Forum, we write to express our deep concern with one aspect of the Commission's March 15, 2004 press release announcing the Staff's settlement in principle with Bank of America related to late trading and market timing in certain of Bank of America's Nations Funds.

The March 15, 2004 press release indicated that "Bank of America has . . . agreed to implement certain election and retirement procedures for the Nations Funds trustees that will result in the replacement of the Nations Funds trustees within one year." This aspect of the proposed settlement is fundamentally inconsistent with the fund governance structure established by the Investment Company Act of 1940 and should not be accepted by the Commission.

Most mutual funds are corporate entities separate and distinct from their advisers, and this structure creates conflicts of interest between fund shareholders and their funds' advisers. The Investment Company Act recognized this unique form of business operation and established a fund governance structure which depends on independent directors to monitor vigilantly these conflicts of interest and to act solely in the best interest of fund shareholders.

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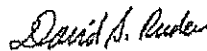
William H. Donaldson
 April 22, 2004
 Page 2

As the Commission stated in its recent Investment Company Governance release, "The Investment Company Act relies heavily on fund boards of directors to manage conflicts of interest that the fund adviser inevitably has with the fund." (Securities and Exchange Commission Release IC-26323 (January 15, 2004)). Independent directors are the linchpin of the mutual fund governance structure established by the Investment Company Act. The Commission should not take steps that would diminish their role.

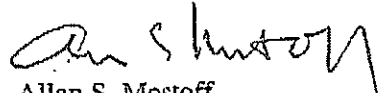
The Commission's proposed settlement with Bank of America, as described in the March 15, 2004 press release, has the potential to undermine director independence by reversing the relationship between fund independent directors and the adviser, thereby turning the Investment Company Act on its head. By accepting the proposition that Bank of America (or any other adviser) has the capacity to settle charges by causing the replacement of mutual fund trustees, the Commission would be suggesting that Bank of America (or any other adviser), not the trustees, controls the funds. Although the Nations Funds trustees are empowered by law to terminate the investment adviser, the settlement essentially would enable Bank of America to terminate the trustees. This aspect of the proposed settlement potentially emasculates the authority of independent directors at the very time that the Commission is seeking to enhance their oversight responsibilities.

Independent directors are increasingly playing an important role in restoring investor confidence in mutual funds and the investment company industry, and the Mutual Fund Directors Forum is dedicated to helping them best prepare to serve this role. If the Commission accepts the concept that the Bank of America may act to cause the removal of the Nations Funds trustees, the principle of director independence, upon which sound mutual fund governance is based, would be severely undermined. We respectfully urge the Commission to reaffirm its commitment to the crucial role of independent directors in fund governance by rejecting this aspect of the Staff's proposed settlement.

Sincerely,



David S. Ruder
 Chairman



Allan S. Mostoff
 President

William H. Donaldson
April 22, 2004
Page 3

cc: Commissioner Paul S. Atkins
Commissioner Cynthia A. Glassman
Commissioner Harvey J. Goldschmid
Commissioner Roel C. Campos
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Paul F. Roye, Director, Division of Investment Management

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